



JIM JONES
Director

County of Los Angeles INTERNAL SERVICES DEPARTMENT

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"To enrich lives through effective and caring service"

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October 16, 2014

To: Each Supervisor

From: Jim Jones
Director

A handwritten signature in cursive script, reading "Jim Jones", is written over the printed name and title.

Subject: **TERMINATION OF MASTER AGREEMENT WITH
APEX WASTE SYSTEMS, INC.**

This is to advise your Board that ISD will be seeking authority to terminate the County's contract with Apex Waste Systems, Inc. (Apex) for its failure to maintain contracted services at various facilities.

Background

On March 3, 2009, your Board approved the Facility Ancillary Services Master Agreement (FASMA) and authorized the Director of ISD to execute agreements with new vendors as they become qualified. On May 18, 2009, ISD utilized its delegated authority to execute an agreement with Apex to provide rubbish removal services. On October 1, 2009, ISD awarded Apex a purchase order for rubbish removal services. Apex is currently providing the services at 129 facilities countywide.

In recent months, Apex has continuously failed to provide rubbish removal services as scheduled at several County facilities, including parks, juvenile detention facilities, and fire stations.

Actions Taken by ISD

On October 14, 2014, ISD sent written notification to Apex of its intent to terminate Apex's master agreement, for default, upon approval by your Board, due to Apex's failure to provide rubbish removal services in accordance Section 3.0 of the FASMA.

Due to Apex's continued failure to provide services as contractually required, ISD proceeded with actions to ensure minimal interruptions or gaps in these critical services. ISD reviewed the most recent bids for these services and will be awarding rubbish removal services to the second lowest bidder for each of the locations under contract with Apex.

Each Supervisors
October 16, 2014
Page 2

ISD plans to proceed with formal Board action to formally terminate Apex's master agreement, and then pursue a debarment action against Apex for its material breach of the contract.

Conclusion

ISD will be filing a Board letter for the necessary actions within the next 90 days. Should you have any questions regarding this matter, please contact me, or your staff may contact Joe Sandoval at (323) 267-2109.

JJ:JS:YY

c: ISD Board Deputies
Chief Executive Officer
Deputy Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors